

From: Doug Sherman
To: Microsoft ATR
Date: 1/24/02 3:24pm
Subject: Microsoft Settlement

Dear Sir or Madame:

I am writing in support of the proposed settlement in the Microsoft antitrust case. It is imperative that this matter be settled fairly and as swiftly as possible. Resistance by state governments who continue to insist upon a break up or massive financial penalties will only serve to cripple Microsoft, thereby injuring individual consumers and businesses alike.

Most PC users are far more sophisticated than either the trial court or the Court of Appeals was willing to recognize. In 1995 neither Microsoft nor Netscape, or AOL for that matter, ever even tried to make a profit from web browsers. Microsoft gave IE away as part of the operating system. Netscape was always a free download, and every modem manufacturer included a copy with its product. AOL repeatedly mailed its proprietary browser to every household in America.

By the release of Windows 98, IE 4.0 had features comparable to Netscape; but users continued to prefer Netscape because it was faster for dialup browsing. However, the emergence of low cost broadband service made such speed differences trivial. Netscape failed to respond to new hardware technology and consumers no longer had a reason to sit through a 15 MB download.

Most PC users are perfectly capable of and experienced in 'sophisticated' operations, such as installing Windows. Had the trial court or the appellate court had the simple experience of the average user, there would have been a finding that the default installation of Windows 98 placed an icon on the desktop which provided direct links to AOL, CompuServe, Prodigy and other online services.

None of these findings were made, and there has been no recognition of the enormous benefit to both individual consumers and businesses of having a nearly universal operating system. The widespread use of Windows results in a compatibility benefit which vastly reduces the cost of hardware and third party software. The comparison with Apple, which has a 100% monopoly on both operating systems and hardware, is not favorable. Mac users are repeatedly victimized by Apple's refusal to provide backward compatibility.

The balance between abuse of monopoly power and benefit to the consumer might be different if Microsoft had a history of large dividend payments to shareholders and exorbitant pricing for 3 or 4 year old operating systems. This is not the case. Microsoft does not pay dividends; its research and development is the envy of the industry; and it provides cutting edge products at reasonable prices.

Any penalties severe enough to cripple Microsoft's ability to continue to improve its products risks destruction of American leadership in the PC industry. Individual consumers, businesses of all kinds, programmers and other IT professionals rely upon and benefit from a strong and innovative Microsoft.

Douglas Sherman